In all of this no wee voice to ask how could a former director of CIA consider making such an offer to the government, or how could the first person in authority not reject the idea out-of-hand as at least corrupt and improver, or how could it under any circumstances get to the point of serious, official consideration.

ITT Offered CIA $1 Million in Plan To Defeat Allende

By Laurence Stern 3/22/73
Washington Post Staff Writer

The Central Intelligence Agency's former director, John A. McCone, said yesterday he transmitted to the nation's top two intelligence officials an International Telephone and Telegraph Corp. offer to help finance a U.S. government effort to block the election of Chilean President Salvador Allende in 1970.

McCone, a wealthy California businessman with high governmental connections, told Senate investigators he made the pitch personally to national security adviser Henry Kissinger and to then CIA Director Richard M. Helms, whom he described as a "close personal friend."

The Nixon administration, he said, did not act on the plan wherein ITT board chairman and chief operating officer Harold S. Geneen offered to contribute a sum "up to seven figures" to subsidize an anti-Allende political coalition in a run-off election.

McCone, a white-haired, bespectacled man of 71 years and commanding demeanor, also told the Senate Foreign Relations Subcommittee on Multinational Corporations that Helms agreed, at his request, to put Geneen in contact with the CIA's chief of covert Western Hemisphere operations, William V. Broe.

"It would be a natural thing for me to do," McCone testified. "Having communicated (to Helms) the views of the staff of ITT, it was very likely that I did suggest his staff contact Mr. Geneen."

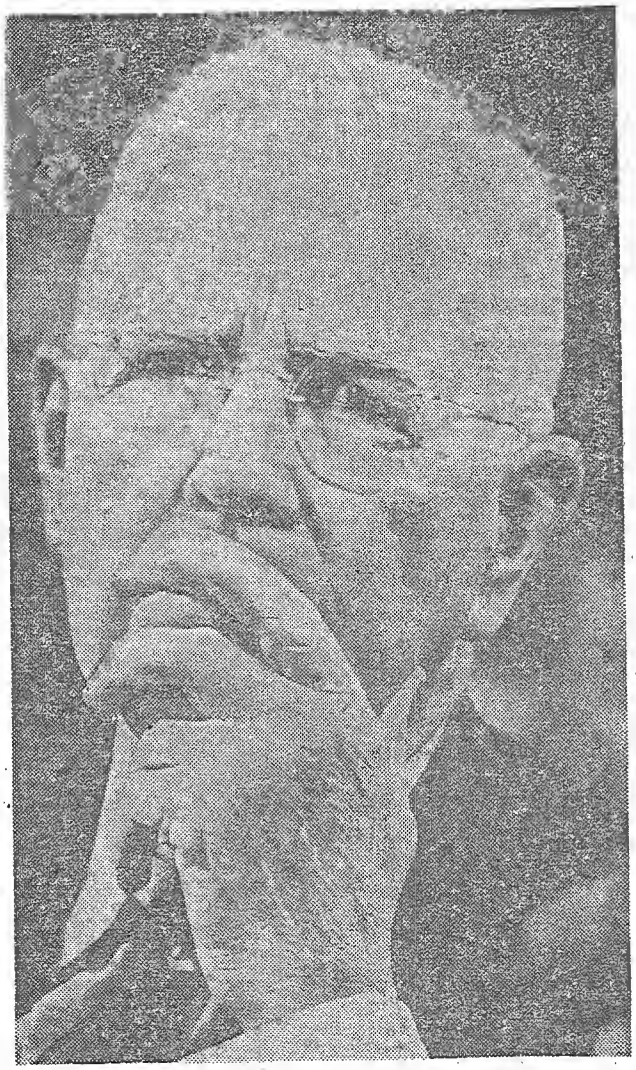
At the time, Geneen was fearful that Allende would confiscate, after the election, ITT's $150-million Chilean telephone company subsidiary and other holdings. The ITT chairman and his subordinates conducted an intensive campaign in Chile and Washington aimed at preventing Allende from taking office, according to evidence that has been presented in the inquiry.

Helms testified to the subcommittee at length on the CIA's role in the ITT campaign during a closed session on March 5, just before his departure for a new post as Ambassador to Iran.

Broe also was interrogated by the subcommittee but the testimony of both men has been kept secret until terms of its release are worked out with the agency.

McCone revealed yesterday that he has continued to serve as a consultant to the CIA since resigning from the directorship in 1965. He is also a director of ITT and it was in this capacity that he paid visits to Helms and Kissinger.

See ITT, A13, Col. 1



By Margaret Thomas—The Washington Post

CIA ex-director McCone tells of anti-Allende plan.

ITT, From A1

McCone, who was appointed to the CIA by President Kennedy in 1961, said he asked Helms "whether the government intended to do anything that might encourage support of a candidate (against Allende) who stood for principle basic in this country.

"Mr. Helms told me that the matter was considered by an interdepartmental committee of senior representatives of the Defense and State departments as well as the CIA, and the decision was reached that nothing should be done."

McCone was referring to the government's top-secret National Security Council committee for covert intelligence operations, the so-called 40 committee, which operates under Kissinger's direct authority.

Helms did say, however, that CIA had enough budget flexibility for a "minimal effort" to play a role in the convoluted Chilean political picture.

Under the Geneen proposal the government, with ITT financial backing, would support a coalition of the conservative National Party, headed by Jorge Alessandri Rodriguez, and the Christian Democratic Party headed by Radomiro Tomic Romero against Allende, a Socialist. As outlined in ITT documents, the plan called for the election of Alessandri in the run-off. He would then resign and call for new elections. This would open the way for former President Edoardo Frei Montalvo to run and perhaps defeat Allende in a two-way race.

This scheme, described in ITT documents as "The Alessandr Formula," was abandoned when Allessandri withdrew from the race, convinced that he did not have enough support in the Congress. Allende had previously won the popular vote but becuase of his narrow plurality had to contend in the run-off, which he won.

McCone testified that Geneen "told me he was prepared to put up as much as $1 million in support of any government plan for the purpose of bringing about a coalition of opposition to Allende . . . to deprive Allende of his position. It would not be a plan generated by ITT or Mr. Geneen.

"I was asked if I supported it, I did, and I came to Washington several days later and told Mr. Helms of the availability of the funds and then met with Mr. Kissinger and told him the same thing. Mr. Kissinger thanked me very much and said I'd hear form him. I didn't hear from him and assumed it was national policy not to do it."

During the interval between Chile's popular and run-off election, said McCone, "a number of people were trying to explore alternatives about what might be done. The Chilian military was discussing the Alessandri Plan. Mr. Broe had a shopping list and the staff of the CIA had a shopping list."

Geneen's offer of a large financial contribution to the government was made "constructively," McCone said, comparing it, in principle, to American economic aid programs for Greece and Turkey, the Marshall Plan and the Berlin Airlift.

"International Communism has said time and again that its objective is the destruction of the Free World, economically, politically and militarily . . . That is what Mr. Geneen was thinking of."

ITT is currently negotiating with the Soviet government for construction of telephone services, hotels and establishment of rental car concessions in Moscow and other Russian cities.

Sen. Clifford P. Case (R-N.J.) asked McCone if one possible use for the Geneen fund would be the bribery of members of the Chilean congress to oppose Allende. "There was no such discussion," MCone replied. "Nothing of that sort was discussed with me nor was in the discussions with Mr. Helms."

McCone acknowledged to the subcommittee that "a great many unfortunate things happened in ITT activities in Washington' during the Chile episode. "When the whole thing surfaced, very radical changes were made in Washington. He said ITT memos on policy in Chile, which were disclosed by columnist Jack Anderson, "were never submitted to me.'

The former CIA chief said, however, that he saw nothing wrong with a corporation providing financial support to "a U.S. government plan" to intervene in the domestic politics of another country.

Sen. Frank Church (D-Idaho) asked McCone how he would feel if the British Shell Corp. were to support an effort to defeat an American presidential candidate if a close election were thrown into the House of Representatives—a hypothetical case comparable to Chiles situation in 1970.

"I would be very distressed of anyone tried to influnce the selection by Congress of a President,' McConc replied. "I would be more distressed if I heard any corporation offered to support a political action on the part of a foreign government.'

Church noted that the United States had provded Chile—prior to Allende's election—$1.4 billion in economic aid during the 1960s "and the end result was the election of Mr. Allende."